

Medicare Modernization Act of 2003 (MMA)

Overview of final rules and
their impact on the behavioral
health system



Outline of Presentation

- Introduction
- Key Dates
- Part D Plans
- Eligibility Issues
- Enrollment in Part D
- Part D Drugs
- Cost Sharing
- MMA Implementation



Introduction

- Provides for a prescription drug benefit under Medicare (Part D) effective January 1, 2006
- Part D benefit to be provided by Prescription Drug Plans (PDPs) and Medicare Advantage Prescription Drug Plans (MA-PDs)



Introduction (cont.)

- Dual Eligibles to begin receiving Part D prescription drugs from PDPs and MA-PDs.
- Part D drugs will no longer be covered by Medicaid for dual eligible individuals (effective January 1, 2006) even if the individual opts out of Part D.



Key Dates

[See Handout](#)

Part D Plans





What are PDPs?

- Only provide Part D benefits (prescription drugs)
- Must be a nongovernmental entity
- Must provide service throughout the PDP region (Arizona is its own PDP region)
- Contract directly with CMS



What are MA-PDs?

- Managed care organizations that provide the full array of Medicare Benefits, including the Part D prescription drug benefit
- Must be nongovernmental entity
- May provide services in a specific geographic area (e.g., in zip codes 85282, 85251; in Maricopa County, etc.)
- Contract directly with CMS



What are MA-PD Special Needs Plans (SNPs)?

- MA-PD plans that provide services to a limited population.
- In order to get SNP designation, MA-PDs must provide the full array of Medicare services to one of the following groups:
 - Institutionalized individuals,
 - Dual Eligibles, or
 - Individuals with severe or chronic conditions.

Eligibility Issues





Who is eligible for Part D?

- An individual who is:
 - Entitled to Medicare Part A; or
 - Enrolled in Medicare Part B; and
 - Lives in a Part D plan service area.

Note: Service area excludes facilities where individuals are incarcerated.

Individuals in State psychiatric institutions are entitled to enroll in Part D if otherwise eligible.



What is a dual eligible?

- An individual who is eligible for both Medicaid and Medicare
- Approximately 82,000 dual eligibles in Arizona. (approx. 13,000 are enrolled in the behavioral health system)
- Approximately 6 million nationwide



Which Behavioral Health Recipients will be impacted?

- Dual eligibles (approx. 13,000)
- Non-Medicaid, Medicare eligibles enrolled in a T/RBHA (e.g., SMI)

Enrollment in Part D





Initial Enrollment Period

- For persons eligible for Part D on or prior to 1/31/06, November 15, 2005 – May 15, 2006.
- For persons first eligible to enroll in February 2006, November 15, 2005 – May 31, 2006.
- All subsequent months, the 7-month period that begins 3 months before the month an individual first becomes eligible, and ends 3 months after that first month of eligibility.



Annual Coordinated Election Period

- For 2006, November 15, 2005 – May 15, 2006.
- For subsequent years, November 15th – December 31st.



Special Enrollment Periods

- A period other than the initial enrollment period and the annual coordinated election period in which an individual is able to enroll in a Part D plan due to special circumstances.



Special Enrollment Periods (cont.)

- Special Enrollment periods exist for:
 - **Full benefit dual eligibles**
 - Involuntary loss or reduction of credible coverage
 - PDP's sponsor's contract is terminated
 - Individuals no longer eligible due to change in residence
 - Individuals moving into or out of a long term care facility
 - **Individuals in State psychiatric institutions**
 - Individuals being discharged from penal institutions



Late Enrollment Penalty

- Premium penalty for late enrollment if eligible individual lacks credible coverage for more than 63 days.
- Dual eligibles are responsible for 20% of the late enrollment penalty for first 60 months
- Note – CMS intends to establish a reconsideration process



Auto Enrollment

- Dual eligibles will be auto enrolled into Part D plans effective January 1, 2006.
- By early fall, dual eligibles will be notified of the Part D plan into which CMS will auto enroll them if they do not elect a plan on their own.
- Dual eligibles may opt out of the Part D plan
- Medicaid will not cover the prescription drug costs for Dual eligibles who choose to opt out
- Dual eligibles may choose to enroll in a different plan if there is a plan that better meets their needs.



Passive Enrollment

- Five AHCCCS Health Plans have applied to be MA-PD SNPs:
 - Phoenix Health Plan/Community Connection
 - Arizona Physicians IPA, Inc.
 - Care 1st Arizona
 - Health Choice Arizona
 - Mercy Care Plan



Passive Enrollment (cont.)

- Dual eligibles who receive benefits from an AHCCCS Health Plan with SNP designation will be auto enrolled into that AHCCCS Health Plan for Part D coverage
- Approximately 10,000 dual eligible behavioral health recipients are currently enrolled in one of the 5 Health Plans that are applying for SNP designation.



How will non-dual eligibles enroll in the Part D plan?

- Will need to actively select a Part D plan
- Will need to enroll in a Part D plan prior to 1/1/2006 to avoid a gap in coverage
- It will be critical that non-dual eligibles enroll in a plan that meets their needs, since they won't have access to special enrollment periods.

Part D Drugs





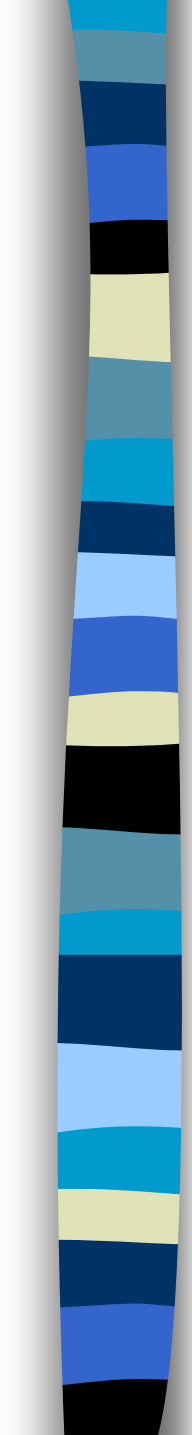
What are Part D drugs?

- All prescription drugs (unless excluded)
- Biological products
- Insulin and insulin supplies including syringes, needles, alcohol swabs and gauze
- Vaccines



What drugs are excluded from Part D?

- Drugs covered under Part A or Part B
- Over the counter drugs
- Weight gain/loss drugs or drugs to treat anorexia
- Fertility drugs and cosmetic drugs
- Drugs to relieve cold and cough symptoms



What drugs are excluded from part D? (cont.)

- Vitamins and minerals except prenatal vitamins and fluoride
- Outpatient drugs for which associated tests or monitoring must be purchased exclusively from manufacturer
- Barbiturates and benzodiazepines



Part D Plan Formularies

- Plans have some flexibility to decide what drugs will be covered
- CMS will review and approve all plan formularies
- Each formulary must include 2 unique drugs in each therapeutic class or category with different strengths and dosage forms



Part D Plan Formularies (cont.)

- Formularies must include all or substantially all drugs within the following classes:
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - Antiretrovirals
 - Immunosuppressants
 - Antineoplastics
- When medically necessary, beneficiaries should be permitted to continue drugs that are providing clinically beneficial outcomes. (However, this will be up to the plans to determine.)

Cost Sharing for Dual Eligibles





Co-payments

- Duals whose income is <100% FPL will be subject to \$1 and \$3 co-payments for drugs
- Duals whose income is >100% FPL will have co-payments of \$2 and \$5.
- Pharmacies may waive a co-payment due to inability to pay– must be reviewed on a case by case basis



Co-payments (cont.)

- There are no co-payments for persons who are institutionalized.
- Plans may offer enhanced coverage that would cover the cost of co-payments
- Medicaid funding not available to cover co-payment costs



Premiums

- Dual eligibles and others with low income will receive a low income subsidy.
- The low income subsidy will be used to cover the cost of the plan premium.
- Plan premiums will vary based on the services they provide
- When possible the auto-enrollment process will assign duals to a plan whose premium is at or below the low income subsidy amount
- Medicaid funding is not available to cover any premium costs in excess of the low income subsidy

Cost Sharing for Non-Dual Eligibles



(see handout for details)

MMA

Implementation





What questions/issues will need to be addressed?

- Educating providers and behavioral health recipients of the change
- Working within a strict timeline
- Ensuring smooth transition of care
- Assisting behavioral health recipients with choosing a Part D plan that best meets their needs
- Ensuring each behavioral health recipient is enrolled in an appropriate Part D plan by 1/1/2006



What educational resources/tools are available?

- Website:
 - <http://www.azdhs.gov/bhs/mma.htm>
- ADHS/DBHS Educational Forums
 - Future dates and topics TBD
- Telephone:
 - Johnna Malici, Policy Office Manager
(602) 364-4652
malicij@azdhs.gov
 - Margaret Russell, Policy Analyst
(602) 364-4658
russelm@azdhs.gov